

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

April 5, 2001
3:35 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Randy Phillips, Vice Chair
Senator Rick Halford
Senator Drue Pearce
Senator Bettye Davis

MEMBERS ABSENT

All Members Present

COMMITTEE CALENDAR

CS FOR HOUSE JOINT RESOLUTION NO. 22(RLS)
Relating to a diverse community; condemning a recent racially motivated attack; and requesting the Municipality of Anchorage police department to continue their conclusive investigation and requesting the criminal justice system to take rapid action to reach the determination of this case.

MOVED SCS CSHJR 22(STA) OUT OF COMMITTEE

SENATE BILL NO. 34

"An Act relating to the monthly salary for heads of principal executive departments; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

HJR 22 - No previous action recorded.

SB 34 - No previous action recorded.

WITNESS REGISTER

Representative Brian Porter
Alaska State Capitol, Room 208
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of HJR 22

Mike Abbott, Legislative Director
P.O. Box 110001
Juneau, AK 99811-0011

Introduced SB 34

ACTION NARRATIVE

TAPE 01-18, SIDE A

Number 001

CHAIRMAN GENE THERRIAULT called the Senate State Affairs Committee meeting to order at 3:35 p.m. Present were Senators Phillips, Pearce and Chairman Therriault.

The first order of business was HJR 22.

#HJR 22

HJR 22-DIVERSE COMMUNITY/CONDEMN HATE CRIMES

Representative Brian Porter, bill sponsor, said it is unfortunate that it is necessary to write and pass this type of legislation but in light of the [paintball] incident in Anchorage the necessity is apparent and it is appropriate for the legislature to make a statement of this type.

Most legislators have had the opportunity to review the tape of the unfortunate incident and the actions of the three teenagers are reprehensible at best. "Having been involved in law enforcement some time myself, there are periodically offenses that make you wonder if the prohibition against some forms of cruel and unusual punishment are perhaps in need of amendment. Obviously, we should not respond in kind so the firm statement that that kind of activity is reprehensible, not acceptable and we should look further in trying to eliminate this type of behavior is an appropriate statement by the legislature."

He has reviewed the committee substitute (CS) developed by the committee and has no problem with the substitute.

CHAIRMAN THERRIAULT asked for a motion to adopt the S version dated 4/4/01.

SENATOR PHILLIPS moved adoption of S version dated 4/4/01 as the working document. There was no objection.

CHAIRMAN THERRIAULT said that, as chairman, he was asked to look at the title and reduce the resolution to include the major points from the title. They came up with three resolves.

1. Condemnation of the recent action in Anchorage.

2. Asking the municipal government to follow through with a thorough investigation.
3. Asking the United States Commission on Civil Rights to conduct a full investigation.

He looked at the resolution Senator Lincoln introduced and spoke with Senator Davis and asked for the condemnation of the acts and for the U.S. Commission on Civil Rights to conduct its formal investigation.

There were no questions about the CS, no additional testimony and no additional amendments offered.

He asked for the will of the committee.

SENATOR DAVIS moved SCS CSHJR 22(STA) and zero fiscal note from committee with individual recommendations. There was no objection.
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#SB 34

SB 34-COMMISSIONERS' SALARIES

CHAIRMAN THERRIAULT informed committee members that the bill would be heard but there would be no final action taken that day.

MIKE ABBOTT, legislative director in the Office of the Governor, was particularly appreciative of the hearing in light of the fact that legislation putting in place pay raises for public officials is not easy legislation.

Pay ranges for cabinet officers are set in statute with no merit increase opportunities. SB 34 would change that and make it possible for the governor to set a range of \$86,800 to \$96,200 for cabinet level salaries. Functionally, this would provide a range from 28, step E to range 30, step F. The specific salary within the range would be set at the discretion of the governor.

Senator Halford joined the meeting.

MR. ABBOTT said this is the second legislature in which Governor Knowles has introduced this legislation. The justification is that the salaries were set in the current range and step more than 20 years ago, in 1980. Although compensation for the positions has gone up as a result of collective bargaining, it has not kept up with inflation. If the 1980 salaries had been adjusted for inflation, they would be approximately \$46,000 higher now than they were then.

There are many state employees who make more than their department heads. Last year, more than 90 Department of Transportation and Public Facilities (DOTPF) employees earned more than their commissioner. In the Department of Law there are 50 employees with a higher step and range than the attorney general. It is appropriate for commissioners to make more than those individuals working for them.

Federal salaries for positions with similar duties and responsibilities pay substantially more. The salary for the state director of the Bureau of Land Management is between \$110,000 and \$125,000 per year plus 25 percent tax exempt cost of living allowance (COLA); the administrator for the federal highways office makes somewhere between \$80,000 and \$100,000 per year plus COLA and the director of the National Marine Fisheries Service makes in excess of \$100,000 per year plus COLA. There is attrition from state ranks to federal positions because state compensation simply is not competitive.

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He called attention to correspondence from former attorneys general, former commissioners of commerce and labor and chiefs of staff from previous administrations all lending support to the proposed increase. Compensation offered to some of the most important individuals in state government is, in fact, a disincentive to serve or remain in service.

CHAIRMAN THERRIAULT asked for a repeat of the salary ranges and Mr. Abbott obliged.

He asked why the range was offered and how it would be decided which commissioners were paid at the lower range and which would be offered the top range.

MR. ABBOTT said the governor's rationale in suggesting the range is to give the chief executive the opportunity to respond to excellence and seniority of service. Currently, the status quo is \$86,000. The governor's intent is to review the service and performance of the existing cabinet and would make compensation decisions on that basis. It would be this governor's intent to use \$86,000 as the base but another governor might have a different idea.

SENATOR PHILLIPS indicated a lack of sympathy for the legislation. He said that money is part of it but it is a public service position and those individuals should be ready and willing to give to the state.

MR. ABBOTT didn't disagree, but said it's a multifaceted challenge to encourage quality individuals to relocate to Juneau and join the cabinet. Clearly, public service is the single greatest reason most individuals accept cabinet positions. Even at the highest level requested, nearly every one of the individuals is taking a pay cut from what they could earn in the private sector. This bill gives the governor the opportunity to reward service and recognize contributions and to provide slightly more competitive pay for important state officials.

CHAIRMAN THERRIault said he agrees with the concept of rewarding excellence but he's unsure that governors would offer commissioners salaries at the bottom end of the scale. They might all automatically start at the top.

MR. ABBOTT said the legislation was written in the context of the current administration but if it's the committee's pleasure to amend the bill to require starting at the lower end of the scale that would be generally consistent with Governor Knowles' intent in promoting this legislation.

SENATOR DAVIS asked whether all commissioners serving under Governor Knowles were hired at the same level or whether their salaries were dependent upon the department they would head.

MR. ABBOTT said they were all paid the same as set forth in statute.

SENATOR DAVIS asked whether there is any other way to raise those salaries.

MR. ABBOTT read from the statutes: "The monthly salary of the head of each principle executive department of the state is step E, range 28."

SENATOR DAVIS said she thought the salaries are low and need to be raised. She'd like to see this legislation moved from committee, if not today, at least soon.

CHAIRMAN THERRIault said all individuals serving now signed on knowing about the statutory language. He asked about the administration's position if this became effective with the next administration and not the current one.

MR. ABBOTT said clearly there is not a lot of time left for this administration. They proposed a retroactive effective date to the beginning of the year so, if approved and funded, the salary increase would be effective January 1, 2001. Governor Knowles feels

strongly that he would like to take this opportunity to recognize and reward individuals who have served for an extended period of time. It would be a slap in the face to those individuals if they were not given a raise while their successors were so rewarded.

There is an amended fiscal note that although not large, is meaningful. The Governor feels very strongly that it is an opportunity that should be available to the current administration as well as future ones.

CHAIRMAN THERRIAULT said the fiscal note he has is dated 2/26/01 for \$78,100.

MR. ABBOTT said that is the correct one; February reflects the amended note.

CHAIRMAN THERRIAULT asked for questions or other testimony. There was none.

He said the bill may come up again under bills previously heard and he will notify Mr. Abbott if there is intent to do so. If there is a desire to move the bill he would talk about changing certain language.

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The meeting was adjourned at 4:00 p.m.